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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/713,965	11/15/2000	David R. Scott	277-P-32-USA	5189
71850	7590	01/03/2008		
RUSSO & DUCKWORTH, LLP 9090 IRVINE CENTER DRIVE, SECOND FLOOR IRVINE, CA 92618			EXAMINER PORTER, RACHEL L	
			ART UNIT 3626	PAPER NUMBER
			MAIL DATE 01/03/2008	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

Application No.

09/713,965

Applicant(s)

SCOTT, DAVID R.

Examiner

Rachel L. Porter

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 28 September 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 8-12 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 8-12 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Notice to Applicant***

1. This communication is in response to the amendment filed on 9/28/07. Claims 8-12 are pending.

### ***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claim 8-11 and 12 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 8 and 12 have been amended to recited that the satellite has been launched into unintended orbit "but otherwise remains funtional." The language further recites the ability of the satellite to remain in unintended orbit, but "functional" triggers the rescue mission provision. It is unclear to the examiner how the satellite(s) can be in an unintended orbit (i.e. useless or not functioning for its intended purpose) but still functional. In other words, the manner in which the satellite is functioning/ functional is unclear.

Claims 9-11 inherit the deficiencies of claim 8 through dependency and are therefore also rejected.

***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 8, 11, and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Otis (L.H. Otis, *Insured Satellite 'Reboost' is a First*, National Underwriter, vol. 95, issue 16, April 1991, pp. 7-9) in view of Reuters ("Insurers and Malaysian Authorities Argue over Raising of Wrecked Liner"--to substantiate Official Notice).

(A) As per claim 8, Otis discloses a method of insuring through coverage for the in-space recovery and "reboost" of a satellite (par. 2) comprising:

(a) acquiring a satellite for orbiting the earth by INTELSTAT (see discussion of INTELSTAT VI (F-3) for providing worldwide telecommunications services) (par. 3-4) (It is respectfully submitted that Hughes Aircraft built the INTELSTAT VI which INTELSTAT then acquired which is considered to be a form of purchasing);

(b) obtaining a risk management package encompassing two separate but overlapping coverages in one policy, wherein the first portion of the coverage insures the satellite in low orbit and until its recovery by the NASA space shuttle, and wherein the second phase of coverage encompasses the operation of placing the satellite into the cargo hold of the space shuttle, refitting it with a new perigee motor, and the reboost of it into its final operational orbit (par. 7-8) (It is respectfully submitted that this provision

of the Otis article would cover the launch of the satellite into an unintended orbit (i.e., if the rescue mission of the INTELSTAT VI fails because the satellite is re-launched into an unintended orbit, then the policy would cover this failure (par. 12)); and

(c) launching a satellite into a non-operational lower orbit (par. 2-8); and

(d) initiating a rescue/ recovery mission to move the satellite from a non-operational lower orbit to a final operational orbit (par. 2-8).

Otis fails to expressly disclose the provision providing for the payment to a rescue mission provider for initiation of a rescue mission, in the event that the satellite is launched into an unintended orbit, and paying a rescue mission provider for the initiation of a rescue mission by the guarantor in accordance with the launch insurance policy. Otis also fails to disclose "prior to launching the satellite" obtaining a launch insurance policy.

In other words, Applicant has determined that instead of simply paying out money to the insured for the loss of the satellite because the satellite was launched into an unintended orbit, there is a need in the insurance industry to have the insurance company pay money to a provider who will attempt to rescue the satellite. Thus, Applicant has found that if there is a risk of a "problem" with the satellite launch (i.e., it goes into the wrong orbit), then there must be some way to provide funds to fix this "problem" if it occurs. Applicant has turned to insuring this risk by providing insurance that pays for fixing it (i.e., attempting to move the satellite into its orbit).

The Examiner takes Official Notice that it is old and well known in the insurance arts to use insurance in this manner. The Examiner respectfully submits that this

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funding structure of identifying a risk of a problem, impairment, damage, or loss prior to it occurring, and then providing funds to a "provider" (i.e., a rescue mission provider) to correct this problem, impairment, or damage once it occurs is well known. For example, several different types of insurance use an analogous funding structure to the one that Applicant is claiming.

First, watercraft insurance protects against damage that may occur to the watercraft and typically includes towing coverage, as evidenced by Reuters (See par. 2 of abstract) Towing coverage would cover moving the boat from an "unintended" location (i.e., if it runs aground) to an "intended" location. This is analogous to moving a satellite from an unintended orbit to an intended orbit. The insurer pays benefits directly to the towing company or other provider that provides services under the insurance policy.

Second, travel insurance protects against emergency evacuation or medical assistance and is purchased prior to traveling (i.e., prior to launch of the satellite). The travel insurance policy will cover events such as if a person is hurt in a ski accident and must be helicoptered off of a mountain (i.e., rescuing a satellite). The insurer pays benefits to all emergency service providers (i.e., rescue mission provider) for the cost of rescuing the insured (i.e., satellite). Third, warranties for electronics and computers typically include a provision which provides for a repair technician to fix the computer or electronics. This technician is paid by the warranty provider (i.e., manufacturer or insurer) of the item. This is analogous to Applicant's claimed provision of paying the service provider to rescue the satellite (i.e., fix the computer).

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At the time the invention was made, it would have been obvious to one of ordinary skill in the art to modify the method of Otis with the motivation of reducing the risk of a total loss and increasing the profitability of an insurer by allowing the insurer to pay a benefit to a provider, such as a repair technician, towing company, or rescue provider (i.e., helicopter or rescue mission provider), in order to fix a problem before declaring a total loss.

Claim 8 has been amended to recite that the satellite is launched into "an unintentional orbit but otherwise remains functional. " Otis discloses a satellite insurance program with includes multiple components, including coverage " for a satellite launched into an unintentional orbit but otherwise remains functional. " (page 7, par. 6-7) The first portion of coverage insures the satellite in its low orbit. (e.g. A satellite in orbit is still functioning.) The second phase covers recovering and reboost of the satellite into the proper orbit.

(B) As per claim 11, Otis discloses obtaining an insurance policy that provides coverage that encompasses the operation of placing the satellite into the cargo hold of the space shuttle, refitting it with a new perigee motor, and the reboost of it into its final operational orbit, wherein any failures during this phase of coverage are covered by the insurance policy (i.e., failing to reboost it into its final operational orbit) (par. 7-8, 11).

(C) As per claim 12, Otis discloses a method of insuring through coverage for the in-space recovery and "reboost" of a satellite (par. 2) comprising:

(a) acquiring a satellite for orbiting the earth by INTELSTAT (see discussion of INTELSTAT VI (F-3) for providing worldwide telecommunications services) (par. 3-4) (It is respectfully submitted that Hughes Aircraft built the INTELSTAT VI which INTELSTAT then acquired which is considered to be a form of purchasing);

(b) obtaining a risk management package encompassing two separate but overlapping coverages in one policy, wherein the first portion of the coverage insures the satellite in low orbit and until its recovery by the NASA space shuttle, and wherein the second phase of coverage encompasses the operation of placing the satellite into the cargo hold of the space shuttle, refitting it with a new perigee motor, and the reboost of it into its final operational orbit (par. 7-8) (It is respectfully submitted that this provision of the Otis article would cover the launch of the satellite into an unintended orbit (i.e., if the rescue mission of the INTELSTAT VI fails because the satellite is re-launched into an unintended orbit, then the policy would cover this failure (par. 12)));

(c) launching a satellite into a non-operational lower orbit (par. 2-8); and

(d) initiating a rescue/ recovery mission to move the satellite from a non-operational lower orbit to a final operational orbit (par. 2-8);

(e) obtaining an insurance policy that provides coverage that encompasses the operation of placing the satellite into the cargo hold of the space shuttle, refitting it with a new perigee motor, and the reboost of it into its final operational orbit, wherein any failures during this phase of coverage are covered by the insurance policy (i.e., failing to reboost it into its final operational orbit) (par. 7-8, 11) (reads on "rescue mission failure insurance policy");



(f) initiating a rescue mission by attempting to reboost the satellite into its final operation orbit and having the rescue mission fail (par. 3-8, 11, 23); and

(g) providing financial compensation for the loss of the satellite by the insurer to INTELSTAT if the rescue mission fails (par. 3-8, 11, 23).

Otis fails to expressly disclose the provision providing for the payment to a rescue mission provider for initiation of a rescue mission, in the event that the satellite is launched into an unintended orbit, and paying a rescue mission provider for the initiation of a rescue mission by the guarantor in accordance with the launch insurance policy. Otis also fails to disclose "prior to launching the satellite" obtaining a launch insurance policy.

In other words, Applicant has determined that instead of simply paying out money to the insured for the loss of the satellite because the satellite was launched into an unintended orbit, there is a need in the insurance industry to have the insurance company pay money to a provider who will attempt to rescue the satellite. Thus, Applicant has found that if there is a risk of a "problem" with the satellite launch (i.e., it goes into the wrong orbit), then there must be some way to provide funds to fix this "problem" if it occurs. Applicant has turned to insuring this risk by providing insurance that pays for fixing it (i.e., attempting to move the satellite into its orbit).

The Examiner takes Official Notice that it is old and well known in the insurance arts to use insurance in this manner. The Examiner respectfully submits that this funding structure of identifying a risk of a problem, impairment, damage, or loss prior to it occurring, and then providing funds to a "provider" (i.e., a rescue mission provider) to

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correct this problem, impairment, or damage once it occurs is well known. For example, several different types of insurance use an analogous funding structure to the one that Applicant is claiming.

First, watercraft insurance protects against damage that may occur to the watercraft and typically includes towing coverage, as evidenced by Reuters (See par. 2 of abstract) Towing coverage would cover moving the boat from an “unintended” location (i.e., if it runs aground) to an “intended” location. This is analogous to moving a satellite from an unintended orbit to an intended orbit. The insurer pays benefits directly to the towing company or other provider that provides services under the insurance policy.

Second, travel insurance protects against emergency evacuation or medical assistance and is purchased prior to traveling (i.e., prior to launch of the satellite). The travel insurance policy will cover events such as if a person is hurt in a ski accident and must be helicoptered off of a mountain (i.e., rescuing a satellite). The insurer pays benefits to all emergency service providers (i.e., rescue mission provider) for the cost of rescuing the insured (i.e., satellite).

Third, warranties for electronics and computers typically include a provision which provides for a repair technician to fix the computer or electronics. This technician is paid by the warranty provider (i.e., manufacturer or insurer) of the item. This is analogous to Applicant's claimed provision of paying the service provider to rescue the satellite (i.e., fix the computer).

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to modify the method of Otis with the motivation of reducing the risk of a total loss and increasing the profitability of an insurer by allowing the insurer to pay a benefit to a provider, such as a repair technician, towing company, or rescue provider (i.e., helicopter or rescue mission provider), in order to fix a problem before declaring a total loss.

Claim 12 has been amended to recite that the satellite is launched into "an unintentional orbit but otherwise remains functional. " Otis discloses a satellite insurance program with includes multiple components, including coverage " for a satellite launched into an unintentional orbit but otherwise remains functional. " (page 7, par. 6-7) The first portion of coverage insures the satellite in its low orbit. (e.g. A satellite in orbit is still functioning.) The second phase covers recovering and reboost of the satellite into the proper orbit.

As per claims 8,11, and 12, it is noted that the applicant has amended claims 8, 11, and 12 to recite "intended operational orbit." However, it is noted that the new limitation does not alter the examiner's interpretation of the claims or the application the prior art.

6. Claims 9-10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Otis (L.H. Otis, *Insured Satellite 'Reboost' is a First*, National Underwriter, vol. 95, issue 16,

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April 1991, pp. 7-9) and Reuters as applied to claim 8, and further in view of Scott (5,806,802).

(A) As per claim 9, Otis discloses insurance coverage for the operation of placing the satellite into the cargo hold of the space shuttle, refitting it with a new perigee motor, and the reboost of it into its final operational orbit (par. 7-8)

Otis fails to expressly disclose the provision for the guarantor initiating a recovery mission including "providing for moving an unmanned extension spacecraft within proximity of the orbiting satellite, mechanically connecting the extension spacecraft to the orbiting satellite to form a docked satellite-spacecraft combination, and moving the satellite-spacecraft combination using the control systems of the extension spacecraft".

Scott discloses providing for launching a SIRE spacecraft, which is unmanned, from earth within proximity of the orbiting satellite, docking the SIRE spacecraft with the target satellite to create a docked combination, and moving the combination using control system of the SIRE spacecraft (Fig. 1-4b, col. 1 lines 22-33, col. 6 line 63 to col. 8 line 33).

At the time the invention was made, it would have been obvious to include the aforementioned features of Scott within the method taught by Otis with the motivation of extending the life of orbiting satellite and reducing the risk and expense of operations for repairing satellites (Scott; col. 1 lines 47-63).

(B) As per claim 10, Otis fails to expressly disclose moving an unmanned extension spacecraft within proximity of the orbiting satellite, mechanically connecting the extension spacecraft to the orbiting satellite to form a docked satellite-spacecraft combination, and moving the satellite-spacecraft combination using the control systems of the extension spacecraft.

Scott discloses providing for launching a SIRE spacecraft, which is unmanned, from earth within proximity of the orbiting satellite, docking the SIRE spacecraft with the target satellite to create a docked combination, and moving the combination using control system of the SIRE spacecraft (Fig. 1-5 and 8, col. 1 lines 22-33, col. 6 line 63 to col. 8 line 33).

At the time the invention was made, it would have been obvious to include the aforementioned features of Scott within the method taught collectively by Otis with the motivation of extending the life of orbiting satellite and reducing the risk and expense of operations for repairing satellites (Scott; col. 1 lines 47-63).

### ***Response to Arguments***

7. Applicant's arguments filed 9/28/07 have been fully considered but they are not persuasive.

(A) Applicant argues that Otis fails to teach an insurance policy that provides for the initiation of recovery mission to place the satellite to its intended operation orbit.

In response, the Examiner respectfully submits that Otis provides coverage for reboosting a satellite into its final operational orbit (i.e., intended orbit). Moreover, the Applicant does not appear to realize the breadth and tentative nature of current claim language. The claim currently recites, "initiating a rescue mission..." which provides little or no explanation regarding any active steps that would be taken in performing the rescue mission.

Regarding applicant's amendment to the "obtaining launching insurance" step, the inclusion of the word "operation orbit," did not alter the Examiner's interpretation of the claim language because the step that is being performed in the acquisition of the insurance policy. The Applicant has amended a narrative, descriptive passage of the claim which describes which describes what a rescue mission should be (i.e. explaining that the policy should pay for the "initiation of a rescue mission.")

Furthermore, within this passage the applicant states that the rescue mission "shall result in the movement from an unintended to an intended operational orbit." Within this step of the claim, applicant states that the rescue mission provision does not accommodate a failure rate. However, in claim 11, which depends from claim 8, the claim recites that financial compensation is provided to the policyholder in the event that a rescue mission does not place the satellite into intended orbit.

(B) The Applicant argues the examples provided by the Examiner regarding Official Notice and the indemnification of the insured are non-common sense (i.e. non-analogous) to the Applicant's use of insurance in the claimed invention.

In response, the Examiner respectfully disagrees. The Examiner submits that claim 11 is an example of the old and well-known aspect of insurance which the Examiner was trying to convey with the examples provided. The Examiner has provided a rationale based on knowledge that is well known in the insurance arts for teaching providing for the payment to a rescue mission provider for initiation of a rescue mission, as opposed to simply paying out money to the insured, in the event that the satellite is launched into an unintended orbit. In other words, the rejection addresses the fact that that insurers payout to correct the problem or to compensate the insured for the loss.

The Examiner has also provided the Otis reference for teaching an insurance policy including a provision from a guarantor covering the launch of the satellite into an unintended orbit, wherein the provision specifies that the rescue mission shall result in the movement of the satellite from an unintended orbit to an intended orbit. See Otis, page 7, col. 2, and the rejections of claims 8 and 12. Thus, the Examiner respectfully submits that Applicant's invention is obvious under 35 U.S.C. § 103(a) based on the teachings of Otis and the knowledge of one skilled in the insurance arts at the time of the invention.

In addition, the new limitations which Applicant disputes as missing in the applied references have been fully addressed by the Examiner as either being fully disclosed or obvious in view of the teachings of Otis and the knowledge of one of skill in the art at the time of the invention, as detailed in the remarks and explanations given in the preceding sections of the present Office Action, and incorporated herein. One cannot

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show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

(C ) Regarding applicant's amendments to the claim language, it is noted that Claims 8 and 12 have been amended to recite that the satellite is launched into "an unintentional orbit but otherwise remains functional. " However, Applicant has failed to explain how these amendments overcome the the prior art of record.

As explained in the 112, 2<sup>nd</sup> paragraph rejection above, it is unclear to the examiner how the satellite(s) can be in an unintended orbit (i.e. useless or not functioning for its intended purpose) but still functional. In other words, the manner in which the satellite is functioning/ functional is unclear. Applicant's have failed to define or explain what is meant by "functional" regarding the satellite's use. It would seem that the satellite in question does not operate for its intended function; otherwise "rescue insurance" would seem unnecessary.

Moreover, Otis discloses a satellite insurance program with includes multiple components, including coverage " for a satellite launched into an unintentional orbit but otherwise remains functional. " (page 7, par. 6-7) The first portion of coverage insures the satellite in its low orbit. (e.g. A satellite in orbit is still functioning.) The second phase covers recovering and reboost of the satellite into the proper orbit.

### **Conclusion**



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1. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Rachel L. Porter whose telephone number is (571) 272-6775. The examiner can normally be reached on M-F, 9:30-6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on (571) 272-6776. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

*RP*

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